

**Virginia Land Conservation Foundation
Board of Trustees
Tuesday, June 07, 2005
Dorey Recreational Center
Richmond, Virginia**

Virginia Land Conservation Foundation Board of Trustees Members Present

The Honorable W. Tayloe Murphy, Jr., Chairman

Albert Essel

Nancy Bowles

David Turner

Mary Bruce Glaize

Albert C. Weed, II

R. Brian Ball

Senator Patricia Ticer

Joseph H. Maroon, Executive Secretary

Lou Giusto

Alexandra Liddy Bourne

Terri Cofer Beirne

Leah Fried Sedwick

William C. Dickinson

Thomas B. Graham

Wendell P. Ennis

Virginia Land Conservation Foundation Board of Trustees Members Not Present

William Park

Frederick Greene

Senator Creigh Deeds

DCR Staff Present

David C. Dowling

Christine Watlington

Thomas Smith

Bill Conkle

John R. Davy

Michael R. Fletcher

Timothy J. Bishton

Others State Agency Staff Present

James C. Adams, VDGIF

Robins Buck, VDACS

J. Michael Foreman, VDOF

Holly Eve Law, VDGIF

G. Robert Lee, Virginia Outdoors Foundation

Jeffrey Madden, VMRC

Pam Mason, VIMS

Virginia McConnell, Department of Historic Resources

Leslie Trew, Virginia Outdoors Foundation

Others Present

John Manuel, Town of Woodstock

Melissa Orndoff, Town of Woodstock

Larry D. Bradford, Town of Woodstock
Heather Richards, Potomac Conservancy
David Phemister, The Nature Conservancy
Linda Wandres, Central Virginia Battlefield Trail
Tom Gregory, Friends of Dragon Run
Teta Kain, Friends of Dragon Run
Katie Kyger, Virginia Agribusiness Council
Jenny West, Wildlife Foundation of Virginia
John Hutchison, Shenandoah Valley Battlefields Foundation
Hugh T. Antrim
Margaret Good, Waterford Foundation
Mary Yakush, Waterford Foundation
Nikki Rovner, The Nature Conservancy
Stephanie Sharer, The Nature Conservancy
Edwin F. Gentry

Call to Order

Chairman Murphy called the meeting to order and declared a quorum present.

Welcome and Introductions

Secretary Murphy asked the members to introduce themselves.

Approval of Minutes

Minutes of November 15, 2004

MOTION: Ms. Bowles moved that the minutes of the November 15, 2004 meeting of the Virginia Land Conservation Foundation be approved as submitted.

SECOND: Ms. Bourne

DISCUSSION: None

VOTE: Motion carried unanimously

Executive Secretary's Report

Mr. Maroon gave the Executive Secretary's report.

Mr. Maroon said that DCR and partner agency staff were very instrumental in putting together the agenda for the meeting.

He noted that this was the first time during the current Administration that the Board would be able to complete a grant round. He noted that there were several projects on the agenda recommended for approval. With Board approval, another grant round will begin in July, with recommendations being made to the Board in late November or early December.

With action by the General Assembly pertaining to vehicle registration fees collected through the Department of Motor Vehicles, the Virginia Land Conservation Foundation is receiving roughly one million dollars per year. The first five million of the fees generated goes to the Jamestown 2007 Commemoration and after DMV administrative costs; the remainder comes to the Foundation.

Legislation in 2005 will change the formula so that the first \$6 million goes to Jamestown with the remainder coming to the Foundation.

This legislation is set to sunset in 2008 after the Jamestown 2007 Commemoration.

Mr. Maroon said that the House Appropriations Committee met at Douthat State Park in May. Secretary Murphy, Mr. Maroon and others had the opportunity to make presentations concerning natural resources. Secretary Murphy spoke about the status of land conservation in Virginia.

Mr. Maroon said that at the beginning of this Administration, DCR did a report with the Department of Forestry, the Virginia Outdoors Foundation and the Chesapeake Bay Commission that outlined the status of open space in Virginia. At that time about 23 million acres were designated as open space, mostly in forest and agriculture. About 3 million acres or 12 percent were permanently preserved. An additional 200,000 acres has been preserved raising the total to over 13 percent.

This data is tracked through DCR's Division of Natural Heritage.

Mr. Maroon noted that there was still a challenge. Virginia, along with Maryland, Pennsylvania and the District of Columbia agreed to have 20 percent of open spaces in the Chesapeake Bay Watershed permanently protected by the year 2010.

For Virginia, that means over 400,000 additional acres need to be preserved in the next five years.

Pennsylvania and Maryland have met or are close to meeting their goals.

The Council on Virginia's Future has proposed a 15% statewide land conservation goal in addition to the 20% of the Bay area.

Ms. Fried asked if there was a reduction in funding if the state did not meet the 2010 goal.

Secretary Murphy said that the EPA is a signatory to the 2000 Agreement. The EPA is a part of the Chesapeake Bay Program and does not lobby for funding for the program. He noted that he was not aware of any funds that would be lost.

Financial Report

Mr. Bishton gave the financial report. A copy of that report is available from DCR.

Total liabilities and equity are \$3,781,490.

Mr. Bishton said that the Foundation was reestablished in FY2000. Since that time the Foundation has received three appropriations to be able to use in grant funding. The current appropriation is \$2.5 million.

Mr. Bishton noted that the Foundation has lost approximately \$7 million over the past five years due to financial conditions throughout the Commonwealth.

Mr. Bishton reviewed the funds disbursed in grant rounds 00 and 01.

Ms. Bourne asked if there was a way the Foundation could expand the fund base by raising revenue from an additional source.

Secretary Murphy said that he believed the Virginia Outdoors Foundation had raised private contributions.

Mr. Lee said that the VOF has for many years depended on private contributions. He said the VOF would be pleased to work with the VLCF regarding funding processes used with regard to the donation of easements.

Senator Ticer expressed a concern that the Foundation might be competing with nonprofit interests.

Ms. Bourne said that while she understood the competition for charitable dollars it would be worthwhile to explore additional public private partnerships.

Mr. Maroon said that staff could bring back some thoughts for discussion at the next meeting. He noted that he thought there was limited potential for raising funds.

Ms. Fried asked if there was a comprehensive list of land trust groups and environmental councils.

Mr. Maroon said that VAULT keeps a list, along with the Nature Conservancy and DCR.

Mr. Turner suggested it would be helpful to inform the public of the actions of the Board.

Mr. Maroon said that the agency has prepared a press release regarding potential grant approvals.

MOTION: Senator Ticer moved that the Virginia Land Conservation Board of Trustees accept the financial report as submitted by staff.

SECOND: Mr. Dickinson

DISCUSSION: None

VOTE: Motion carried unanimously.

On-Going Project Status Report

Mr. Davy gave an overview of the ongoing projects.

He noted that currently three projects remain open from the last grant round. They are:

Fairfax County Cross Country Trail Easement

The grant amount was \$30,000. They expect to close out in next couple of months.

Mary B Stratton Estate

DCR, Chesterfield County. Grant amount \$75,000.

Garden Creek /Winter Harbor

Middle Peninsula Land Trust Project, Matthews County. Grant amount \$155,000.

Mr. Davy noted that all remaining FY2001 projects are completed or closed.

Recommendations and Approval of Spring Grant Round Applications

Mr. Dowling reviewed legislative language that offered a framework for the development of scoring criteria through which grant recommendations were generated.

Item 383 H3 of Chapter 4 of the 2004 Virginia Acts of Assembly, Special Session 1 that states “[t]he Chairman of the Virginia Land Conservation Foundation, or his designee, shall review the criteria used to evaluate grant applications. Based on this review, the Foundation shall develop new review criteria that better quantify the relative merits of each prospective grant parcel. The measurable criteria shall include, but not be limited to, the following: (1) the status of the parcel under a locality’s master plan as a Chesapeake Bay Preservation Area, (2) the degree to which securing the parcel will protect local drinking water supplies, (3) the degree to which the parcel satisfies recreational needs of population centers, or recreational needs as identified in the Virginia Outdoors Plan, (4) the extent to which the affected localities have identified the parcel as having

important local water quality or recreational benefits, (5) other criteria that are relevant to the particular classes of open space preservation provided under Virginia law, and (6) the cost-effectiveness of the parcel in satisfying these criteria compared to alternatives. By November 19, 2004, copies of the proposed revisions to the grant review criteria shall be provided by the Chairman of the House Committees on Appropriations, and Agriculture, Chesapeake and Natural Resources, and the Senate Committee on Finance, and Agriculture, Conservation and Natural Resources.”

Based on this legislative directive, the Foundation’s multi-agency work group developed a scoring sheet that was approved by the Board in November. A copy of that scoring sheet is available from DCR.

During a review of the scoring criteria, Ms. Glaize asked for a definition of the Chesapeake Bay areas.

Mr. Dowling said that the *Code of Virginia* defines the boundaries of the Chesapeake Bay Preservation Area.

Secretary Murphy said that the Chesapeake Bay Preservation Area applies to the area that is defined as Tidewater, Virginia. These are basically the localities east of the fall line.

The regulations require that each locality is to establish a 100 ft. buffer around each perennial stream that constitutes a resource protection area (RPA). The locality can designate Resource Management Areas (RMA). Only water dependent activities are allowed in RMAs.

Secretary Murphy said the question remains with regard to the entire watershed is to what extent buffers are being established above the fall line. Although the CBPA does not apply west of the fall line that does not mean those areas are not important.

Mr. Dowling gave an overview of the scoring process through which staff’s recommendations were generated. Of the \$3,088,303 available for grants an expenditure of \$3,027,655 is recommended. A balance of \$60,638 will be advanced to the next grant round. These recommendations will fund 12 of 23 project applications received that requested over \$6.2 million in funding. Following Mr. Dowling’s presentation, the work group’s recommendations in the four funding categories were provided to the Board.

Open Spaces and Parks Recommendations

Mr. Davy gave an overview of the recommended projects for approval in the Open Spaces and Parks Category.

Recommended: Shenandoah Valley Battlefields Foundation - Cedar Creek

Bluff: A grant has been requested to purchase a conservation easement on a 117-

acre property within the boundary of the new Cedar Creek and Belle Grove National Historical Park. The project is adjacent to the 161-acre Keister property, purchased by Shenandoah County using a Virginia Outdoors Fund grant in 2002 for development to a county park. **Total Project Cost: \$491,300.** The VLCF Grant will be matched by \$245,650 in federal appropriations. **The VLCF request: \$245,650. Funding amount recommended: \$244,793.50.**

Recommended: Potomac Conservancy - **Mount Pleasant Farm:** A grant has been requested to purchase a conservation easement on Mount Pleasant Farm, a historic 106-acre property on Cedar Creek in Shenandoah County. Purchase of a conservation easement on this property will protect vital open space in a rapidly developing region; preserve battlefield land within the Cedar Creek Battlefield; provide a visual buffer on the boundary of Cedar Creek and Belle Grove National Historical Park; permanently protect three quarters of a mile of critical restored riparian land and habitat along Cedar Creek; and help to continue the strong agricultural tradition in the Shenandoah Valley. **Total Project Cost: \$212,080.** The VLCF Grant will be matched by the following sources: \$100,000 donation of land and \$12,080 in cash. **The VLCF request: \$100,000. Funding amount recommended: \$100,000.**

Recommended: Wildlife Foundation - **Fray Tract:** A grant has been requested to acquire fee-simple title to approximately 550 acres in Madison County. This property is bound on the west and north by the Rapidan Wildlife Management Area, and on the east by the Shenandoah National Park. Approximately .5 miles south of the property is an additional Rapidan WMA parcel. Upon purchase of the property, WFV will place a conservation easement on the tract, and gift the land to the Virginia Department of Game and Inland Fisheries for inclusion in the Rapidan WMA, thereby providing public access to the property. **Total Project Cost: \$1,629,500.** The VLCF Grant will be matched by the following sources: \$360,000 in cash and \$1,079,000 in land donations. **The VLCF request: \$190,500. Funding amount recommended: \$190,500.**

Recommended: Town of Woodstock - **Fairview Park:** A grant has been requested to purchase 23.016 acres of land for the development of recreational facilities. The acquisition is adjacent to 50 acres of existing park land. **Total Project Cost: \$580,050.** The VLCF Grant will be matched by \$295,050 in cash. **The VLCF request: \$284,950. Funding amount recommended: \$250,000.**

Recommended: Trevilian Station Battlefield Foundation – **Riveroak:** A grant has been requested to facilitate the purchase in fee of 938 acres at Trevilian Station Battlefield in Louisa County. The purchase complements 632 acres already owned by the Foundation, which has been placed under easement to the VOF. The land was owned by a timber company, which had been marketing it as an ideal commercial location with rail access. A driving tour currently traverses the property. Long-term plans include development of walking and riding trails and an on-site museum. **Total Project Cost: \$1,780,625.** The VLCF Grant will be

matched with \$730,624 in cash, a \$200,000 Transportation Enhancement Grant, and \$650,000 from the Civil War Preservation Trust. **The VLCF Request: \$200,000. Total amount recommended: \$200,000 (\$19,375 from open space and \$180,625 from historic area preservation)**

Mr. Dickinson asked if those projects not approved needed to reapply.

Mr. Dowling said that those groups or individuals whose projects were not approved would be contacted and encouraged to apply for the next round of grant funding.

Mr. Dickinson said that he was concerned about the transactional costs of applying and reapplying.

Mr. Maroon said that sometimes an application does not score well because of a lack of information or the failure to address certain points.

Ms. Fried noted a concern about the estimated value per acre. She asked if DCR checked appraisals.

Mr. Davy said that when a grant is approved the appraisal is often the best estimate. Before the funds are reimbursed the recipient must provide a certified appraisal. However, if the appraisal is higher than the initial estimate, the grant is not increased.

Mr. Weed asked how the availability of the funds were made public. He noted that he had not received information since the meeting in November.

Mr. Dowling said that he believed materials had been mailed to board members. He also referenced the VAULT as an umbrella organization for the conservation community that was advised of the grant round.

Ms. Bourne asked about the public information aspect of the grants and whether the projects were verified through a public hearing.

Mr. Davy said that if a private land trust is buying land from a private seller, there is currently no public review process through the locality.

Mr. Ennis noted that there are concentrated areas of easements and activities. He asked how new frontiers, or areas not previously identified could become involved in the process.

Mr. Dowling said that much of the process relies upon the conservation community.

Secretary Murphy said that the information is readily available on the DCR website. He noted that rural areas often do not have the same resources and organizations found in some of the more urban areas with more staff or a very highly developed local government.

Mr. Dowling noted that the position in the DCR Office of Land Conservation has been vacant. When filled, that individual would be helping to disseminate information to localities and interested parties.

Mr. Dickinson said that there should be as broad a distribution as possible.

Historic Area Preservation Recommendations

Ms. McConnell presented the Historic Area Preservation Recommendations.

Recommended: Shenandoah Valley Battlefields Foundation – **Fishers Hill**: A grant has been requested to facilitate the acquisition in fee of 25 acres located within the Fishers Hill Battlefield in Shenandoah County. The land includes intact earthworks, a segment of the Valley Road (predecessor to the Valley Turnpike), and vestiges of a 19th century bridge. The property will be made available to the public through the development of trails, archaeological studies, and interpretive programs. **The Total Project Cost: \$563,300.** The VLCF Grant will be matched with \$281,650 in cash. **The VLCF request: \$213,500. Funding amount recommended: \$212,408.50**

Recommended: Brandy Station Foundation – **Battle of Brandy Station Park** (Eastern Fleetwood Phase): A grant has been requested to facilitate the acquisition of 18.9 acres of land in Culpeper County near Fleetwood Hill, the site of some of the heaviest fighting of the afternoon phase of the Battle of Brandy Station. The property was purchased from a developer who had already obtained building permits for a residential development which would have destroyed the historic and scenic value of the property. The property will be developed for public access through signage, interpretive displays and brochures, an interpretive walking path, and a visitor center. **Total Project Cost: \$912,400.** The VLCF Grant will be matched with \$200,000 cash and a \$350,000 land donation. **The VLCF request: \$362,400. Funding amount recommended: \$362,400.**

Recommended: Trevilian Station Battlefield Foundation – **Riveroak**: A grant has been requested to facilitate the purchase in fee of 938 acres at Trevilian Station Battlefield in Louisa County. The purchase complements 632 acres already owned by the Foundation, which has been placed under easement to the VOF. The land was owned by a timber company, which had been marketing it as an ideal commercial location with rail access. A driving tour currently traverses the property. Long-term plans include development of walking and riding trails and an on-site museum. **Total Project Cost: \$1,780,625.** The VLCF Grant will be matched with \$730,624 in cash, a \$200,000 Transportation Enhancement Grant, and \$650,000 from the Civil War Preservation Trust. **The VLCF Request: \$200,000. Total amount recommended: \$200,000 (\$19,375 from open space and \$180,625 from historic area preservation)**

Farmlands and Forest Preservation Recommendations

Mr. Buck presented the Farmlands Preservation Recommendations.

Recommended: Virginia Outdoors Foundation – **Port Tobacco**: A grant has been requested to facilitate the placement of an easement on the Baylor Family Farm (Port Tobacco Farm) in Essex County consisting of 1,802.96 acres, including 940 acres of prime (soil) farm land, 340 acres of riparian mixed hardwood forest and 500 acres of wetlands. This is a regionally important working farm and forest and will join 24 (6,582 acres) properties already preserved. This farm has been under the same ownership since the 1600s and includes 5.3 miles of frontage on the tidal Rappahannock and 2 miles of frontage on tributaries to the Rappahannock. A Chesapeake Bay Soil and Water Conservation Plan has been implemented on the property and over 50 acres are currently enrolled in the Conservation Reserve Enhancement Program. The property contains and supports a wide variety of habitat types and wildlife species and the preservation of this property will protect two threatened and endangered species, the bald eagle and sensitive joint vetch (found only in four (4) states). **Total project cost: \$1,858,000.** The VLCF Grant will be matched by the following sources: \$200,000 cash on hand (Open Space Lands Preservation Trust); \$559,280 fee title purchase (Wellford I); \$396,000 purchase of conservation easement (Wellford II); \$1,000,000 pending North American Wetlands Conservation Act; and \$400,000 pending federal Farm and Ranch Lands Protection program. **VLCF request: \$258,000. Funding amount recommended: \$258,000.**

Recommended: Nature Conservancy – **Black Farms Property**: A grant has been requested to facilitate placing an easement on the Joe Black farm in Northampton County consisting of 222 acres, including 198 acres of prime (soil) farmland, also including 133 irrigated, active acres producing high value potatoes, corn and beans. In addition, this easement will protect 75 acres of riparian and upland forest, which provides critical habitat for a diversity of wildlife, most notably birds. The property fronts Old Plantation Creek and Route 13 and lies within the Resource Preservation Area (Chesapeake Bay) or Resource Management Area as designated by the Northampton County Comprehensive Plan. **Total project cost: \$1,050,00.** The VLCF Grant will be matched by a \$650,000 grant from the Farm and Ranch Lands Protection program (in hand). **The VLCF request: \$400,000. Funding amount recommended: \$400,000.**

Mr. Foreman presented the Forest Preservation Recommendation.

Recommended: Albemarle County – **Page Project**: A grant has been requested to purchase the development rights of 558.9 acres of farm and forest 10 miles southwest of Charlottesville. This property has 11,000 feet of riparian buffer held

in an easement. This tract also contains Virginia's only carbon sequestration tree planting. This easement would have a common boundary with a Virginia Outdoors Foundation conservation easement property. This request would leverage half the cost of the easement. Albemarle County would pay for the other half. **Total project cost: \$170,866.** The VLCF Grant will be matched by \$85,433 from the Albemarle County Acquisition of Conservation Easement program. **The VLCF Request: \$85,433. Funding amount recommended: \$85,433.**

Natural Area Protection Recommendations

Mr. Smith presented the Natural Area Protection Recommendations.

Recommended: Nature Conservancy – **Marks and Jacks Island**: A proposal for the acquisition of the 2,000 acre Marks and Jacks Islands property in Accomack County, on Virginia's Eastern Shore. This globally significant conservation area contains primarily intertidal emergent salt marsh, scattered maritime forest, and over two-miles of beach habitat. **Total Project Cost: \$2,529,450.** The VLCF Grant would be matched by the following sources: \$280,000 in cash; \$1,000,000 in North American Wetlands Conservation Act grants; and \$752,000 Coastal Management Grant. **The VLCF request: \$500,000. Funding amount recommended: \$500,000.**

Recommended: The 500 Year Forest – **Gilvary Forest/Chestnut Ridge** – The 500-Year Forest Foundation: A proposal for the acquisition of a natural area preserve deed of dedication and open space easement over a 225 acre property on Chestnut Ridge in western Giles County. This 225-acre piece is part of a bigger tract of 2250 acres owned by the Gilvary Family. The project contains two old-growth forest communities of northern red oak, and would protect them from imminent threat of logging. **Total Project Cost: \$474,130.** The VLCF Grant would be matched by a \$250,000 donation of rights by the owner, Gilvaria Tree Farm. **The VLCF request: \$224,130. Funding amount recommended: \$224,130.**

MOTION: Senator Ticer moved that the Virginia Land Conservation Foundation Board of Trustees approve the list of Spring Grant Round Application recommendations as presented by staff.

SECOND: Mr. Ennis

DISCUSSION: None

VOTE: Motion carried unanimously.

Review and Approval of Grant Evaluation Criteria and Manual

John Davy reviewed the proposed changes to the draft grant manual for the next grant round. A copy of the grant manual is available from DCR.

Mr. Davy noted that most of the requested changes in the Open Spaces and Parks criteria were housekeeping or clerical issues. Many of these changes will ease the application process both for the applicant as well as staff reviewing the applications.

Mr. Davy said that in the Natural Areas Category, some categories were combined. In addition, the criteria were revised to reflect more of the desired heritage resources.

In the Historic Area Preservation criteria, scoring areas were amended and weighted differently to reflect preservation activities and cultural activities.

Mr. Davy said there were no significant changes in the agricultural area.

Mr. Davy noted that in the appendix the agricultural categories were clarified. Additionally under water quality the recreation benefit was removed as that was already covered in the Virginia Outdoors Plan.

Mr. Maroon asked for a clarification on how applicants choose the category under which they can be scored.

Mr. Davy said that the intent is to have applicants apply under the categories for which they best qualify.

Mr. Dickinson asked if applicants do their own scoring.

Mr. Davy said that the manual will now reflect the criteria as well as the points awarded for each requirement.

Mr. Dickinson asked if scores have been released.

Mr. Dowling said that this was the first time the applications have gone through a public scoring process. The General Assembly has indicated that this should be a public process.

Ms. Glaize asked if those who did not qualify are informed why.

Mr. Davy said if those applicants asked, staff will explain.

Mr. Maroon said that some consideration should be given to allow applications to be scored under one or two categories. Otherwise applications would be scored under multiple categories, thus increasing the staff load.

Ms. Bourne noted that the more staff was able to have applicants take responsibility for some of the initial scoring the more staff would be able to prioritize.

MOTION: Ms. Bourne moved to strike the suggested language on page 2 that said, "Applicants may choose to have their application be scored under one or more of these categories for funding consideration."

SECOND: Mr. Ennis

DISCUSSION: None

VOTE: Motion carried unanimously

Mr. Davy said the following statement on page three was a new insertion based on discussions. The statement reads:

Applicant must include conditions to be placed on any acquired easements. This would include but not be limited to terms of the easement, the amount of development permitted (residential/agricultural, etc.) and any allowed or disallowed land management practices.

Mr. Davy said staff is seeking a general description of what the owner expects the easement to do in terms of evaluating the property.

Mr. Weed asked if it would be appropriate to have a future policy discussion on Purchase and Development Rights (PDR) particularly for rural counties.

Mr. Dowling said that PDR was addressed on pages 4-5 of the manual.

Mr. Weed said that he would like to see the language encourage these applications.

Mr. Ball said the way to encourage this was to make sure the Foundation gets appropriate funding on a consistent basis.

Mr. Ennis noted the insertion of "high" on page 11 where the statement reads, "The land is an area of potential high development and/or other land uses changes whereby the retention of forestland would be important. He said that perhaps this should be clarified. He noted that a cluster of 10 homes in one area could be as detrimental as a cluster of 100 homes.

Mr. Davy said that should refer to a high potential of development.

Mr. Foreman said that the concept of PDR was developed by looking at census data and growth patterns.

Ms. Bourne said that “high” should be quantified.

Mr. Davy noted that “high” referred to potential, not actual development.

It was suggested that the statement be revised to read:

The land is in an area where there is a high potential for land use changes or conversions that threaten the retention of farmlands or forests.

MOTION: Senator Ticer moved that the Virginia Land Conservation Board of Trustees approve the DRAFT manual as amended.

SECOND: Ms. Bourne.

DISCUSSION: None

VOTE: Motion carried unanimously

Approval of Next Grant Round [recommendation: July 1 – Sept. 20]

Mr. Maroon said that the recommendation from staff is that the grant application period be opened on July 1, 2005 and close on September 20, 2005, and further that the same grant process be used in the fall. The VLCF will have a meeting later in the fall to act upon these recommendations.

MOTION: Senator Ticer moved that the VLCF establish the next grant round to begin on July 1, 2005 and close on September 20, 2005.

SECOND: Mr. Ball

DISCUSSION: None

VOTE: Motion carried unanimously

Ms. Beirne noted that there could be three times as many projects for the next grant round. She asked how this would be promoted.

Staff will promote the grant round through the web page and mailings.

Mr. Dickinson asked that the information be sent to Board members electronically.

Mr. Maroon said that staff also works with local land trusts to disseminate the information.

Ms. Bourne suggested that the information be sent to the members of the General Assembly.

Ms. Beirne said the information could also be incorporated in a sample newsletter article and disseminated to VACO, VML and other organizations.

Ms. Fried said that the working knowledge of the environmental community should not be underestimated.

Ms. Bourne agreed but said that, while the information is known in environmental circles, it is not as widely known to the general public.

Other Business

Mr. Maroon brought another matter to the attention of the Board. He said that, for a number of years, conservation easements constituted a tax deduction under federal tax law, and it was his understanding that the donation of a conservation easement would reduce the property value. The owner would be allowed to declare an amount up to 30 percent of his income as a charitable deduction over a period of six years.

For many years, the state allowed the same deduction. Several years ago, the General Assembly adopted legislation that allows a landowner to receive tax credits for up to one-half the value of the assessment, with a maximum credit of \$100,000 per year over six years. The law was later modified to allow landowners to transfer and/or sell excess tax credits up to the full amount of the donation. The credits have been selling at a rate of 60 to 80 cents on the dollar.

In recent General Assembly sessions, Senator Hanger has introduced legislation that would limit the transferable amount to \$600,000. This "cap" on transferability has not passed yet, but there is strong interest in tightening the restrictions on tax credits. The conservation community has recognized that some landowners have abused the program by overstating appraisals in excess of the true value of easements. Mr. Maroon said this is an area where legislation is needed to make sure the program is not abused to the point that it is eliminated by the General Assembly.

Mr. Maroon said that there has been increased publicity regarding conservation easements, including a series of articles in the Washington Post. Congress has recently proposed severe limits on the conservation easement program, as it now exists under the Internal Revenue Code. There will be a hearing before the Congressional Senate Finance Committee on the issue. The Land Trust Alliance is mobilizing representatives to appear before that hearing to try to protect the program.

Delegate Parrish has assembled a subcommittee of the House Finance Committee to look at this issue in Virginia. The first meeting of the legislative subcommittee is scheduled for June 20, 2005.

Secretary Murphy said that the Commissioner of the Department of Taxation has issued a ruling stating that the easements taken by the Virginia Outdoors Foundation in 2002-2004

do not meet the requirements of the regulations adopted under Section 170 of the Internal Revenue Code. He said that his office was not notified of the ruling, and he noted his concern with the Department of Taxation making conservation policy without discussing it with the agencies responsible for land conservation policy.

Ms. Bourne said that she would highly recommend that the Secretary take this matter directly to the Governor and require a meeting of the two agencies. Secretary Murphy stated that he would hope to see this ruling overturned by the legislature or withdrawn by the Department of Taxation.

Agency Updates

Department of Agriculture and Consumer Services

Mr. Buck gave the update from the Department of Agriculture and Consumer Services.

Last November the State Farmland Preservation Task Force adopted a model local ordinance. The Task Forces hopes to have a state model by late fall or early winter.

There remains limited funding for farmland preservation.

There have been six adopted and funded PDR programs in the Counties of Albemarle, Clarke, Fauquier, James City, Augusta, and Virginia Beach.

Loudoun County has rescinded their PDR program.

Isle of Wight County has a funded PDR program, but has not yet adopted the ordinance.

Rappahannock, Rockbridge, Chesapeake, and Spotsylvania have adopted the program but have not yet received funding.

Counties that are in some degree of adopting or establishing include Culpeper, Bedford and Hanover.

Several more counties are in the process of adopting.

Department of Forestry

Mr. Foreman gave the report for the Department of Forestry. He reviewed three topics.

In terms of federal funding for farmland preservation, the Department is pleased to continue working with the Forest Legacy Program.

Second in the past year Forest Legacy has awarded almost \$300,000 to public tracts in Grayson County. The President's budget for next year is around \$20 million as opposed to \$80 million.

Senate Joint Resolution 367 is a continuation of last year's resolution 75. The Department is working on two aspects on that. First is to continue working on added incentives for forestland conservation in Virginia. Second is the impact of local ordinances on forest land.

The Department has determined that developing and advocating a forest policy statement in the Commonwealth would be beneficial. Mr. Foreman read the draft policy as follows:

In keeping with Article XI of the Constitution of Virginia, it shall be the policy of the Commonwealth to conserve, protect, and enhance the forest resources of Virginia. The General Assembly determines and finds that these forest resources are essential in providing economic and ecological vitality, protecting the foundation of Virginia's air and water resources, providing habitat for Virginia's wildlife, enhancing recreational opportunities, and improving other significant aesthetic values. Implementation of this policy shall focus on long-term public and private forest resource management based upon sound scientific research. The State Forester, in cooperation with other agencies and partners, and with guidance from the Board of Forestry, shall implement this policy through its strategic plan.

Mr. Dickinson noted that urban trees and forestry are a very important issue. He noted a number of urban communities have tree initiatives.

Mr. Foreman said that comment has been received and will be put into consideration for the policy statement.

Department of Game and Inland Fisheries

Mr. Adams gave the update from the Department of Game and Inland Fisheries.

Mr. Adams gave an update regarding the acquisitions since the last meeting of the VLCF.

Acquisitions Completed:

- Red Bud Run, Frederick County, 30 acre native trout stream (1.5 miles), December 2004 (by donation RedBud Run LLC).
- Blue Wing Tract, Charles City County, 103.5 acre wetlands adjacent to Game Farm Marsh (New Kent County > 429 acres), February 2004 (\$165,000 and Partners included USFW and WF)
- Horseshoe Bend, Botetourt County, James River Boating Access, 3 acres, May 2005, Partners included USFW and a local fishing club.

Acquisitions Initiated:

- Featherfin Farm, Appomattox-Brunswick-Prince Edward Counties, 2800+acres, over 10 miles access to the Appomattox River, October 2005
- VDOT Virginia Capital Trails Project, Greensprings Tract, James City County, 40 acres, signed MOU May 2005. A Conservation Easement on the property will be held by the Williamsburg Land Conservancy.

Conservation Easements:

- Walker, Sussex-Southampton Counties, 770 acres
- Jones, Cumberland County, 400 acres

Department of Historic Resources

Ms. McConnell gave the update for the Department of Historic Resources.

The Virginia Department of Historic Resources is the State Historic Preservation Office. Our mission is to foster, encourage, and support the stewardship of Virginia's significant historic, architectural, archaeological, and cultural resources.

The Board of Historic Resources holds easements on about 380 properties. This includes 18,000 acres of land and 200 city, town or village lots. The range of historic resources includes architectural resources including plantation manor houses, urban worker cottages and farm structures.

The Board also holds easements on archaeological resources, including a frontier fort, a Civil War fort, and an American Indian burial site.

The Department also surveys properties for inclusion in the Virginia Landmarks Register. There are no restrictions placed on the owner. The listing in the National Registry is mainly for identification purposes.

The Department has a strong focus on state stewardship and in identifying culturally and historically significant resources.

Virginia Outdoors Foundation

Mr. Lee gave an update from the Virginia Outdoors Foundation.

The VOF was created in 1966 to help preserve the cultural resources in the Commonwealth. The VOF holds approximately 1,700 easements over 300,000 acres in Virginia.

The VOF meets quarterly. At the April meeting the VOF approved easements on approximately 4,200 acres in 21 separate jurisdictions in Virginia.

The VOF works closely with local governments so that easements are not taken without consistency with the local comprehensive plan.

Virginia Marine Resources Commission

Mr. Madden gave an update from the Virginia Marine Resources Commission.

The Virginia Marine Resource Commission are the trustees for the submerged land in the Commonwealth. VMRC oversees the operation of the wetlands boards in the tidal counties.

In 1989 the VMRC adopted a wetland mitigation compensation policy. Since adoption of the original policy most wetland projects have been permitted without compensation. At the last meeting the Board adopted a change to permit compensation.

Virginia Institute of Marine Science

Ms. Mason gave an update from the Virginia Institute of Marine Science

VIMS does not hold land, but works with the producers and providers to manage information. VIMS does have a wetland advisory program.

Department of Conservation and Recreation

Mr. Dowling gave the update for the Department of Conservation and Recreation. He reviewed some highlights of the past year.

State parks received \$4.6 million for operations and 57 new staff positions. This was a tremendous gain. DCR also had clarifying language approved for land transactions associated with the new Seven Bends State Park.

The Natural Heritage Division received additional operational funding that will help manage the natural area preserve system.

Language was also adopted to initiate a state park feasibility study of the Pinnacles Area of Russell County.

DCR also received \$80,000 for a survey of Virginia citizens regarding their expectations for parks and natural resource areas. This will fund the beginning work on the 2007 Virginia Outdoors Plan.

The Department is making progress on High Bridge Trail in Prince Edward and Cumberland Counties. The transfer of land is expected in November.

The Department also received approval to accept 363 acres for Walnut Hill Farm adjacent to Chippokes Plantation State Park.

Next Meeting

The next meeting of the Virginia Land Conservation Foundation will be Thursday, December 1, 2005.

Public Comment

Jenny West, Executive Director of the Wildlife Foundation expressed gratitude for the approval of their application.

Mr. Phemister of The Nature Conservancy echoed those comments.

Adjourn

Being no other business, the meeting was adjourned.

Respectfully submitted,

W. Tayloe Murphy, Jr.
Chairman

Joseph H. Maroon
Executive Secretary